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November 2006

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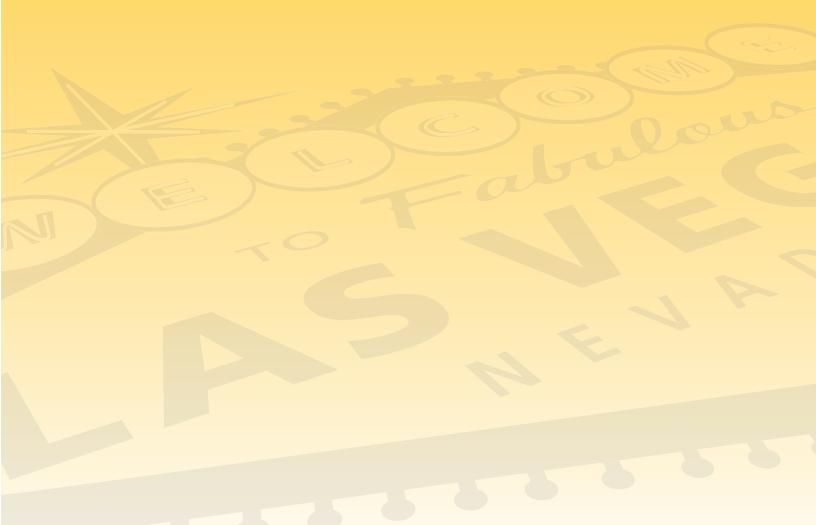
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# Las Vegas Region



## **Business and Market Fundamentals**

## Population/Employment/Demographics

- On a monthly basis, 6,000 7,000 new residents move to the Las Vegas Valley. For example, 6,919 relocated here in May 2006. (*Department of Motor Vehicles*)
- Clark County, which includes Las Vegas, has approximately 1.8 million residents. (*University of Nevada, Las Vegas Center for Business and Economic Research, April* 2006)
- 266,754 retirees called the Las Vegas area home in 2005. (Las Vegas Perspective 2006)
- Las Vegas led the nation with a seven percent job growth rate in 2005, well ahead of Orlando, Florida and Phoenix, both of which averaged around four percent. This makes Las Vegas one of the fastest growing cities in the nation. (Applied Analysis, February 2006)

## Jobs/Employment

LAS VEGAS/PARADISE METROPOLITAN STATISTICAL AREA MAY 2006 LABOR FORCE DATA				
	May-06	May-05	Y-0-Y % Change	April-06
Labor Force	901,800	858,800	5.2%	899,100
Employment	868,900	825,800	5.2%	862,900
Unemployment	32,900	33,000	-0.3%	36,200
Unemployment Rate	3.6%	3.8%		4.0%

(Source: Department of Employment, Training and Rehabilitation, June 2006)

- INC magazine recently featured Las Vegas as the hottest "boomtown" for entrepreneurs noting that Nevada has the best state job growth at 19.3 percent and Las Vegas ranked ninth on the list of best places overall for business. (Las Vegas Weekly, June 2006)
- 47,000 new jobs were created in this area within the past 12 months. (*Las Vegas Review Journal, June 2006*)
- POLICOM, a specialist in the study of the dynamics of local economies, has ranked Las Vegas as the 10th best metropolitan area economy in their 2006 report. In 2005, Las Vegas was ranked at 23. POLICOM addresses the condition of an economy from the view point of its impact upon the "standard of living" of the people who live and work in an area. The highest ranked areas have had rapid, consistent growth in both size and quality for an extended period or time.







## Residential

- According to Home Builders Research, Inc., 3,278 new homes were sold in the Las Vegas MSA during the month of August 2006, bringing the year-to-date total sold to 24,776, a 3.1 percent increase from one year ago. Also, builders such as KB Homes are now selling at \$150 to \$165 per square foot in new communities in the southwestern Las Vegas Valley and other select areas of the city. Experts expect the cost to build to continue this downward trend for the foreseeable future. (Las Vegas Review Journal, September 22, 2006)
- The median price of a resale home in August 2006 was \$289,000, while new homes were listing at \$329,897, down from \$337,272 in July 2006, according to Sales Traq, a local housing research firm. Condos and town home prices in July 2006 were down 1.7 percent from June 2006 to \$201,500. (Las Vegas Review Journal, August 8, 2006 & August 30, 2006)
- Resale of existing homes for calendar year 2006 is projected o be around 54,206. the average listing time was 60 days in August 2006, according to the Greater Las Vegas Board of Realtors. (Home Builders Research, Inc., "The Las Vegas Housing Market Letter," Volume 224)

#### Hotel Condominiums

- The addition of over 60,000 condominiums and 19,000 hotel-condominium rooms are planned for southern Nevada by 2010. (Applied Analysis, December 2005)
- Construction will continue at well-branded sites including MGM Residences, Palms Place, Cosmopolitan, Panorama, Sky Las Vegas and Trump International Hotel & Tower. (Applied Analysis, February 2006, The Trump Organization, 2006)

#### Retail

- The anchored retail market grew by 734,000 square feet in the fourth quarter of 2005, reaching a total of 35.4 million square feet last year. (Applied Analysis, January 2006)
- In 2006, 1.3 million square feet of new retail projects are under construction with 3.3 million square feet planned for 2006. (Applied Analysis, January 2006)
- The region's current vacancy rate is slightly less than three percent, with rent prices averaging \$1.54 per square foot. (Applied Analysis, January 2006)
- Las Vegas projects in the pipeline include the \$450 million, 700,000-square-foot village at Queensridge to be completed by 2008; and the Triple Five Nevada is developing 250,000 square feet of retail development at Boca Park. (Applied Analysis, January 2006)
- Businesses in Nevada sold products valued at \$4.3 billion in March 2006, an increase of over four percent over the same period last year. (Las Vegas Weekly,
- The Department of Taxation reported \$3.24 billion in sales for businesses in Clark County, an increase of almost six percent from 2005. (Las Vegas Weekly, June 2006)
- Clark County dining and drinking establishments realized more than \$670 million in sales for March 2006, an increase of 10 percent. (Las Vegas Weekly, June 2006)
- Taxable retail sales were also strong in 2005. Dining and drinking: +9.8 percent, automotive dealers: +12.6 percent, miscellaneous retail sales: +20.5 percent, apparel and accessories: +18 percent, building materials: +12.8 percent, special trade construction: +18.6 percent, home furnishings: +10.9 percent and heavy construction sales: +54.1 percent. (Applied Analysis, January 2006)



## Office

- The Las Vegas Valley office market recorded a low 8.4 percent vacancy rate during the first quarter of 2006, a one percent drop from a year ago. (Applied Analysis, January 2006)
- The southern Nevada office market grew to 38.1 million square feet of space from 34.8 million square feet in the second guarter of 2005. (Applied Analysis, January 2006; Las Vegas Business Press, July 2005)
- As of January 2006, there were 4.6 million square feet under construction and another 3.6 million square feet planned for future development. (Applied Analysis, April 2006)
- Average Class A office lease rates for the fourth quarter of 2005 were \$2.14 per square foot, compared with \$1.93 at the end of 2004 and \$1.88 in 2003. (Applied Analysis, January 2006)
- Office employment increased by more than seven percent by the end of 2005, while the professional and business services sector showed a 10.5 percent increase, adding 10,300 new positions during the year. (Applied Analysis, January 2006)

## Hotels

- Las Vegas is home to 15 of the 20 largest hotels in the world. (Las Vegas Sun, May 10, 2006)
- Last year was another banner year for hotel expansions valley-wide. In 2005, 3,319 rooms, 490,000 square feet of convention space and 644 timeshare units were added. (Las Vegas Convention and Visitors Authority, June 2006)
- Over the next four years, hotel rooms are projected to grow to a total of 171,123, up from 133,186 in 2005. (Las Vegas Convention and Visitors Authority, March 2006)
- Las Vegas neighborhood casinos are also thriving. Station Casinos opened Red Rock Station in the western portion of the Las Vegas Valley in April 2006. In addition, Michael Gaughan, founder and former operator of Coast Casinos, recently purchased the South Coast Hotel and Casino, which includes an equestrian center. This neighborhood hotel-casino opened its doors for the first time in December 2005. (Applied Analysis, February 2006)



## Industrial/Distribution

- During the first quarter 2006, the market expanded 1.4 million square feet. (Applied Analysis, May 2006)
- Industrial inventory was 84 million square feet. Approximately 3.7 million square feet is currently under construction with a vacancy rate of slightly less than three percent and a net absorption rate of 1.3 million square feet. (Applied Analysis, April 2006)
- Future development will likely be along I-15, the major distribution route for industrial users. (*Applied Analysis, April 2006*)
- Communities that are situated one hour's drive or less from Las Vegas are expected to benefit from the need for industrial space. (*Applied Analysis*, *April 2006*)
- The area provides a number of warehousing and manufacturing-related support services including specialized contract haulers, full-service public warehousing, U.S. Customs, a foreign trade zone and sub-zone accommodations, and assembly and packaging support. (Nevada Commission on Economic Development, Nevada Development Authority, 2006)

## **Business Taxes**

- Opportunities for tax deferrals and abatements based on job growth are possible. (State of Nevada Department of Taxation, June 2006)
- Las Vegas rated as the least expensive major city in the United States based on taxes for businesses, telephones, sales, property, electricity and utilities, and corporate income. (Las Vegas Business Press, July 2006)

#### Climate

- Las Vegas is free of natural disasters such as hurricanes, tornados or ice storms. (Switch Communications, 2006)
- Las Vegas is located in a desert "bowl" surrounded by mountains on all sides. Summer heat is tempered by extremely low relative humidity. Winter days are usually crisp, pleasant and sunny.

## Tourism/Gaming

- Over 38.5 million people visited Las Vegas in 2005, generating more than \$36.8 billion for the Las Vegas economy. (Las Vegas Convention and *Visitors Authority, March* 2006)
- As of April 2006, 12.8 million tourists had visited Las Vegas, a 1.4 percent increase over the same period last year. (Las Vegas Convention and Visitors Authority, April 2006)
- 6.2 million delegates attended 22,154 conventions in 2005, adding \$7.6 billion to the regional economy. (Las Vegas Convention and Visitors Authority, March 2006)
- At 2.3 million square feet, the Las Vegas Convention Center is the largest single-story center in the nation. (Las Vegas Convention and Visitors Authority, March 2006)
- In 2003, the 1 million-square-foot Mandalay Bay Convention Center opened as the fifth-largest convention facility in the United States and the largest meeting facility located on the Las Vegas Strip. (Applied Analysis, March 2006)
- Over the next five years, over \$25 billion in tourism sector projects are planned. (Applied Analysis, February 2006)
- Gaming revenue amounted to \$7.6 billion in the Las Vegas Metropolitan Statistical Area, which includes the Las Vegas Strip, downtown Las Vegas and the Boulder Strip. (Las Vegas Convention and Visitors Authority, 2006)
- Gaming revenues for the month of April 2006 was \$989.8 million, a 12.7 percent increase over the same month last year. (Las Vegas Weekly, June 2006)
- Gaming comprises 24 percent of the area's direct jobs. In addition, it generates approximately 30 percent of indirect jobs in this region. (Applied Analysis, February 2006)
- The "Big Six" gaming operators Boyd Gaming Corporation, Harrah's Entertainment, Las Vegas Sand's Corporation, MGM Mirage, Station Casinos and Wynn Resorts – had gaming revenue projections of \$5.9 billion in the first quarter of 2006, up 55 percent from \$3.8 billion a year earlier. (Las Vegas Review Journal, April 2006)
- 2005 hotel occupancy citywide during mid-week was 86.6 percent, all week 89.2 percent. Weekend occupancy was 95 percent. (Las Vegas Convention and Visitors Authority & Las Vegas Weekly, March 2006)



## Infrastructure

## Highways and Roadways

- The Hoover Dam Bypass Project, a 3.5-mile corridor over the Colorado River and downstream from the dam, is currently under construction. When completed, it will improve U.S. 93 traffic flow between Arizona, Nevada and Utah, as well serve as a free trade route between Canada and Mexico. Completion is scheduled for 2007. (Central Federal Lands Highway Division of the Federal Highway Administration, January 2006)
- Major public works initiatives in 2006 include:
  - \$550 million U.S. 95 widening project
  - \$10.2 million Ann Road detention basin
  - \$7.2 million Anasazi Drive overpass at Summerlin Parkway
  - \$4.7 million Tenaya Way road and storm drainage improvement project
  - \$3.6 million Discovery Drive roadway

(Department of Public Works, February 2006 & U.S. 95 Projects Office, July 2006)

## Airports

- Clark County Department of Aviation operates six airports: McCarran, North Las Vegas Airport, Henderson Executive Airport, Jean Sports Aviation Center, Overton/Perkins Field and Searchlight. (Clark County Department of Aviation, February 2006)
- McCarran is the fifth busiest airport in the U.S. with 1,100 daily flights and 44.2 million passengers in 2005. Construction is scheduled to begin on Terminal 3 in early 2008. The expansion plan calls for 14 additional gates (which will bring the total to 109), ticketing counters, passenger drop-off and pick-up curbs, baggage-claim carousels, a dedicated roadway system and two new parking garages. A tram will connect the new terminal to the existing Terminal 1. Completion is scheduled for 2011 and will result in a maximum capacity of 53 million passengers. (Clark County Department of Aviation, September 2006)
- Internationally:
  - Virgin Atlantic has daily non-stop flights to London
  - bmi has three non-stop flights per week to Manchester, England
  - Condor Airlines has weekly flights from Frankfurt, Germany
  - Korean Air began non-stop service to Las Vegas on September 22 with three flights per week.
  - An assortment of airlines offer a combined total of over 20 flights per week to Mexico and Canada.

(Clark County Department of Aviation, February 2006)

- In the planning stages is the Ivanpah Valley Airport, which will be situated on a 5,934-acre site about 25 miles south of Las Vegas. It is projected to be operational by 2017 and serve international and long-haul scheduled flights, charter flights and international and domestic cargo demand.
  - (Clark County Department of Aviation, February 2006)
- Foreign Trade Zone #89 is comprised of six sites strategically located throughout southern Nevada. (Nevada Development Authority, 2006)





## Rail Service

Union Pacific's Class Irail service connects Las Vegas to Los Angeles-Long Beach, Salt Lake and many points east. Las Vegas' central location makes distribution of goods to major markets very competitive. In addition, there are more than 23 rail sidings and rail-served facilities through the Las Vegas Valley. (Nevada Development Authority, April 2006)

## Trucking Services

- Las Vegas is a "net-importer," (more freight arrives than leaves), which makes shipping costs to other cities very low. In addition, more than 50 motor carriers, including several specialized carriers, serve Las Vegas. (Las *Vegas Perspective* 2006)
- The area provides a number of warehousing and manufacturing-related support services including specialized contract hauler and full-service public warehousing. (Nevada Development Authority, 2006)
- The U.S. Customs Service's foreign trade zone and sub-zone in this area have accommodations, assembly and packaging support available. (Nevada Commission on Economic Development, Nevada Development Authority, April 2006)

#### Water Access

The Las Vegas Valley Water District is allocated 300,000 acre-feet (acre-foot = about 326,000 gallons) of water annually from Lake Mead and is currently in negotiations to acquire additional water from White Pine County, Nevada. They are also in negotiations with the state of California to build a desalination plant. (Las Vegas Valley Water District Director, December 2005)

## Flood Control

- Since 1987, \$216.8 million has been spent on regional flood control facilities. (Department of Public Works, February 2006)
- To date, three detention basins and 286 miles of local drainage facilities have been constructed. (Department of Public Works, February 2006)
- The Federal Emergency Management Agency's Community Rating System Classification rates the city of Las Vegas as a Class Six (6) community, saving insurance holders money on premiums. (Department of Public Works, February 2006)

## Communications

- Las Vegas is free of natural disasters such as hurricanes, tornados or ice storms making it an attractive location for back-up communication systems. (Switch Communications, 2006)
- Switch Communications has the Nevada Network Access Point in Las Vegas, North America's number one Disaster Avoidance Center, sporting over 3,000 fiber and direct fiber connections. (Switch Communications, 2006)

## **Key Projects**

## Hotels/Casinos

- MGM Mirage's Project City Center: \$7+ billion high-density tourism/residential complex consisting of 66 acres with a 60-floor, 4000-room mega resort and casino, two 400-room boutique hotels, several condo buildings, an urban village and a shopping mall. This project is projected to open in 2009.
- Boyd Gaming's Echelon Place: \$4 billion, 63-acre construction including 5,300 rooms and 1 million square feet of meeting, convention and retail development is expected to open by 2010.
- Las Vegas Sands' Palazzo: \$1 billion+ project including 3,025 hotel rooms is expected to open in late 2007.
- Wynn's Encore: \$1.7+ billion sister tower to Wynn Las Vegas. This boutique hotel will have 2,054 suites and is projected to open December 2008.
- Sahara Hotel Sale and Development: Property is touted to be the new north strip anchor and southern gateway to the downtown area if developed.
- Fontainebleau Las Vegas: Next-door to the Sahara Hotel, this \$1.5 billion resort is based on the Miami Beach hotel of the same name and is slated to open in 2008.
  - (Applied Analysis, February & May 2006; Las Vegas Today and Tomorrow, July 2006)
- Tropicana Hotel and Casino: Columbia Sussex is scheduled to close on a buy-out of Aztar Corporation before the end of the year; plans for the property have not been announced but demolition of the existing hotel is anticipated.
- Riviera Hotel and Casino: Riviera Holdings Corporation is currently reviewing acquisition/merger offers for the hotel/casino.

## Retail/Big Box Projects

- **Arroyo Market Square:** 90-acre, 940,000-square-foot retail power center at Rainbow Boulevard and Bauda Avenue is expected to open the third quarter of 2007. (Applied Analysis, January & May 2006)
- **Town Square:** 114-acre complex at I-15 and the Beltway, just south of the Mandalay Bay, is projected to open the fall of 2006. (Applied Analysis, January & May 2006; Western Real Estate Press, May 2005)
- Queensridge: \$850 million, 700,000-square-foot village combining shops, restaurants, offices and residences will open by the spring of 2008. (Applied Analysis, January & May 2006)
- Great Mall of Las Vegas: 65-acre, 2 million-square-foot project near U.S. 95 and Grand Montecito Parkway in the northwest valley area. Projected opening is September 2009. (Triple Five Development, July 2006)
- Centennial Gateway: 35-acre, 450,000-square-foot development at U.S. 95 and Ann Road. Projected to open during the third quarter 2005. (Applied Analysis, January & May 2006; In-Business Las Vegas, May 2004)
- Centennial Power Center: 900,000-square-foot center anchored by Wal-Mart, Sam's Club and Home Depot at U.S. 95 and Ann Road. (Applied Analysis, January & May 2006)





## Condo Towers

- Construction is underway to add 5,875 high-rise units, with a projected demand for 7,000 per year. (Applied Analysis, February 2006)
- Condominium towers recently opened or under construction near the Las Vegas Strip:
  - One Oueensridge Place: Four towers consisting of 385 units at Alta Drive and Rampart Boulevard with Phase I move in the fourth quarter 2006. (Vegas Today and Tomorrow, July 2006)
  - Panorama Towers: Two 33-story buildings with 325 units situated at Dean Martin Drive and Harmon Avenue will be opening in third quarter 2006. (Vegas Today and Tomorrow, July 2006)
  - Turnberry Towers: Two 45-story buildings at Karen Avenue and Paradise Road with 318 condo units. Tower I opens in mid-2007; Tower II opens in spring 2008. (Applied Analysis, February 2006 and Vegas Today and Tomorrow, July 2006)

## Condo Hotels

- Platinum: 255 units at Flamingo Road and Koval Lane opened in the summer of 2006. (Vegas Today and Tomorrow, July 2006)
- **Residences at MGM Grand:** Three 40-story buildings totaling 1,726 units opened in the spring of 2006. (Applied Analysis, February 2006)
- **Trump International Hotel & Tower:** 64-story building featuring 1,282 units on the Las Vegas Strip with plans to open in 2008. (Trump *International Hotel & Towers, July 2006)*
- **Cosmopolitan:** \$1.8 billion project south of the Bellagio on the Las Vegas Strip. Opening: January 2008. (Applied Analysis, February 2006; Vegas Today and Tomorrow, July 2006)

NOTE: Unless otherwise noted, the source for information is the city of Las Vegas Office of Business Development or multiple articles in local newspapers and business journals.

# Downtown Las Vegas

## **Business And Market Fundamentals**

## Population/Employment/Demographics

- The current residential population in the downtown redevelopment area is 33,407. (city of Las Vegas Planning and Development, July 2006)
- Downtown employment estimates for 2005 were 60,652; state, county and city governments employ more than 18,500 downtown employees. (city of Las Vegas Planning and Development, July 2006)
- The city of Las Vegas' current Standard & Poor's bond rating is AA, which reflects an expectation that the city will continue to prudently manage its significant capital needs and development plans, while maintaining good financial reserves. Fitch Ratings affirmed the AA rating, and Moody's Investors Service added a "positive" outlook to the city's AA- rating. Moody's changed the city's outlook to positive from stable, based on robust tax base growth citywide including significant development within the 3,200-acre redevelopment area of downtown Las Vegas and an ongoing trend of healthy financial reserves. (Standard & Poor's, Fitch Ratings, Moody's Investors Service, 2006)

## Residential

- Over 1,950 residential units are completed or under construction downtown.
- Approximately 16,000 units are planned for development over the next several years.
- A total of 54 condo projects are proposed, approved or under construction in the downtown redevelopment area.

#### Retail

- Seventy percent of the street-level development in new, mixed-use buildings planned within the Downtown Centennial Plan boundary is required to be oriented toward retail, entertainment or commercial activities.
- The Las Vegas Premium Outlets mall offers 435,000 square feet of shopping with more than 120 outlet stores; a 104,000 square-foot expansion is underway. (Simon Property Group, 2006)
- Plans are to create 500,000 square-feet of walkable, urban storefront retail as part of a 61-acre, mixed-use downtown development called Union Park.





## Office

- There is currently 1,326,190 square feet of office space in the downtown area with a 6.4 percent vacancy rate. Medical, government and owner-occupied buildings are excluded from the total. (*Grubb & Ellis, second quarter 2006 newsletter*)
- The current asking rent for Class B, full-service office space is \$32.40 per square foot. (*Grubb & Ellis, second quarter 2006 newsletter*)
- An additional 20,000 square feet of office space is under construction. (Grubb & Ellis, second quarter 2006 newsletter)
- The new four-story, 90,000-square-foot Internal Revenue Service office building brings 500 to 600 people per day to the city's central core. An area adjacent to the IRS building currently under construction is the Molasky Corporate Center, a 290,000-square-foot building complex that will house the Southern Nevada Water Authority and other tenants.
- The Regional Justice Center, which opened in 2005, provided the opportunity to locate four different court systems district, justice, municipal and supreme courts as well as a future appellate court, within a single facility. The 717,000-square-foot, 17-story building has spurred development of a technologically-efficient justice environment with 5,000 people per day using the facility. (www.lasvegascourts.org, 2006)

#### Hotels

- A number of new casino operators have entered the downtown market through acquisitions. They include the Henry Brent Company, MTR Gaming, Majestic Star, Landry's and Tamares Group.
- Hotel/casino owners/operators are breathing new life into the downtown casino district with remodeling and expansion projects. These include the \$300 million Golden Nugget expansion, the Lady Luck Casino and Hotel renovation, the Fitzgerald's headquarters development, the Plaza expansion and the Western Hotel Casino redevelopment.

# story

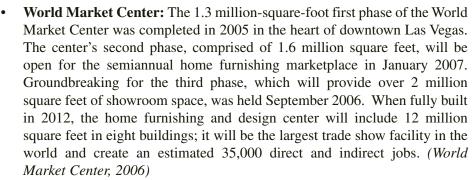
## Tourism/Gaming

- Fremont Street Experience has drawn, on average, 21 million visitors annually to downtown since it opened in 1995. The five-block Viva Vision lightshow canopy underwent a \$17 million upgrade to LED technology in 2004, creating television-quality viewing. (Fremont Street Experience, 2006)
- According to an independent Fremont Street Experience guest satisfaction study, 91 percent of visitors were very likely to recommend the Fremont Street Experience to others and 93 percent were likely to visit again. (Las Vegas Convention and Visitors Authority, 2005)
- The city of Las Vegas, joining with the property owners association, is developing the Fremont East District, an eclectic mix of entertainment, dining and drinking establishments in downtown Las Vegas targeted at a wide range of age groups and demographics. In the past 12 months, 15 new venues have been recruited and opened in and around the district area.
- Downtown gaming revenues for 2005 were \$654,115,000. (Las Vegas Convention and Visitors Authority, February 2006)

## Infrastructure

- Project Neon addresses the short-term and long-term transportation needs for the I-15 corridor from Sahara Avenue to the I-515/U.S. 95 interchange commonly known as the "Las Vegas Spaghetti Bowl." The estimated completion date for the city of Las Vegas components is 2015. Project Neon will consist of:
  - I-15 freeway improvements and widening
  - Local access improvements to the Las Vegas downtown redevelopment area
  - Operational improvements for the I-15 Charleston Interchange
  - An Industrial Road/Martin Luther King Boulevard connection
  - A grade separation of the Union Pacific Railroad tracks and Oakey Boulevard/Wyoming Avenue, so that vehicle traffic and rail commerce do not impede one another (Nevada Department of Transportation)
- The U.S.-95 widening project will increase the number of lanes to ten from Martin Luther King Boulevard to Rainbow Boulevard. U.S. 95 will be widened to six lanes from Rainbow Boulevard to Craig Road. The completion date is estimated to be fall 2007. (Nevada Department of Transportation)
- The Metropolitan Area Express (MAX) offers the public full-service rapid transit bus service. It connects downtown Las Vegas with key areas such as the Las Vegas Strip and Nellis Air Force Base. (Regional Transportation Commission, 2006)
- The **Regional Fixed Guideway** project is a planned 33-mile rapid transit system, which will eventually connect Henderson, Las Vegas and North Las Vegas with the Las Vegas Strip resort corridor. This system will make use of non-rail rapid transit similar to the Metropolitan Area Express (MAX) on a dedicated pathway. The MAX alternative provides the flexibility to adjust the route according to demand, while a rail option does not. The Downtown Connector will be the first phase with service expected to begin in late 2008/early 2009. The connector will travel north from Sahara Avenue along Paradise Road, Imperial Avenue, Third Street, Casino Center Boulevard and Fremont Street. (Regional Transportation Commission)

## **Key Projects**



- Las Vegas Premium Outlets: A 104,000-square-foot expansion and two multi-story parking structures are scheduled for 2007. (Simon Property *Group*, 2006)
- Molasky Corporate Center/Southern Nevada Water Authority: A significant portion of the \$87 million, 15-story Molasky Corporate Center is being devoted to the Southern Nevada Water Authority. This complex is scheduled for completion in 2007 in downtown Las Vegas. (The Molasky *Group of Companies*, 2006)
- Union Park: The city of Las Vegas is developing 61 acres of prime downtown real estate called Union Park. This development will include the Smith Performing Arts Center, the "Keep Memory Alive" Lou Ruvo Alzheimer's Institute, 2.2 million square feet of Class A office space, 469,000 square feet of ground-floor retail space, 3,600 high-rise residential units, 15,800 parking spaces contained within vertical structures, 1,750 hotel rooms and a new city hall.
  - **Smith Performing Arts Center:** The center will have three performance spaces including a state-of-the-art, 2,200-seat, multi-purpose hall. The theater will be appropriate for first-run Broadway shows and other major touring attractions as well as orchestra, opera and dance performances. (Las Vegas Performing Arts Center Foundation, 2006)
  - "Keep Memory Alive" Lou Ruvo Alzheimer's Institute: The institute will be dedicated to the fight against Alzheimer's, Parkinson's and Huntington's diseases as well as other related disorders associated with the aging of the brain. It is being designed by world-famous architect Frank Gehry. The 50,000-square-foot institute will include offices for health care practitioners and researchers, a "Museum of the Mind" and a community auditorium. (The Foundation for the Lou Ruvo Alzheimer's Institute, 2006)
  - World Jewelry Center: The center will combine corporate offices for international gem and jewelry companies with a gallery of retail shops offering broad public appeal. The project calls for 100,000+ square feet of retail space, 800,000 square feet of office space and 175,000 square feet of residential construction. In addition, the center will offer on-site parking and may incorporate food and museum components.





- Fremont East District: The city of Las Vegas is developing this entertainment district, an eclectic mix of entertainment, dining and drinking establishments in downtown Las Vegas targeted at a wide range of age groups and demographics. The city and property owners have committed \$5.75 million through a public-private partnership toward a major streetscape installation for the district. The streetscape will include pedestrian-friendly street redesign, landscaping and retro neon signage. This installation is scheduled for 2007.
- **FBI Regional Office Building:** This 107,000-square-foot, Class A office building in the Las Vegas Enterprise Park will house approximately 230 full-time employees.
- **Residential Projects:** Over 21,000 mid- and high-rise living units are being built and planned for downtown. The following are under construction:
  - Soho Lofts: 15-story, 120-unit building (completed May 2006)
  - **Newport Lofts:** 23-story, 168-unit building
  - **Streamline Condos:** 22-story, 251-unit building
  - CityMark "juhl": 15-story, 355 units
  - **Allure Condos:** 41-story, 808 units, two towers
  - **Urban Lofts:** 30 three-story, townhomes

The following are in sales and could move into construction in 2007:

- **Evolution Tower 1:** 28-story, 159-unit building
- **H.U.E.@Art Central:** 40-story, 270-unit building

## Downtown Advantages

## Central Location

The downtown core is located at the intersection of U.S. 95 and I-15 allowing easy access throughout the Las Vegas area and to other regions in the U.S. Southwest.

## Land Value

Land in the downtown core is valued at \$6 million-\$12 million per acre, while land on the Las Vegas Strip is valued at \$20 million-\$30 million per acre. (Applied Analysis, May 2006)

## Government Programs

- The city of Las Vegas Redevelopment Agency's Commercial and Entertainment Visual Improvement Programs encourage rehabilitating downtown commercial buildings, enhancing the physical appearance of the area, and improving the overall economic viability of downtown. Since the programs' inception, the Redevelopment Agency has approved improvements for thirteen businesses, leveraging more than \$2 million dollars in private investment.
- The Redevelopment Agency's Fast Track Program is designed to provide clients with a seamless and uninterrupted process for project approval and initiation. Over 30 mixed-use and commercial developments are currently being assisted.
- Valet Parking Zones are being established downtown for the convenience of visitors and locals.
- **Tax Increment Financing** (TIF) is defined as the increased property taxes generated due to new development on a site. The TIF program uses tax money from the difference in the originally assessed property value and the new, enhanced property value to pay for eligible qualified expenditures. Up to 41 percent of the tax increment can be rebated annually to a property developer for eligible qualified expenditures to a construction project. Eligible projects must be located within the Redevelopment Plan Area. Projects eligible for consideration of tax increment financing assistance include, but are not limited to, office, high-rise residential, retail, hotels and mixed-use projects.





The north end of the Las Vegas Strip leading to the downtown area is a hot growth area. Projects announced are:

- **Boyd Gaming's Echelon Place:** \$4 billion development featuring 5,300 guest rooms and suites (*Boyd Gaming Corporation*, 2006)
- Encore at Wynn: \$1.74 billion project offering 2,054 hotel rooms (Wynn Resorts, 2006)
- **Fontainebleau:** \$1.5 billion, 4,000-room hotel-casino (*Fontainebleau Resorts*, 2006)
- Majestic Resort & Residences: Joint \$350 million project with 378 Conrad hotel rooms and 286 Majestic manors and residences (*Majestic Resorts*, 2006)
- Maxim: \$1.2 billion, 2,300-room hotel-casino (Maxim Magazine, 2006)
- **Montreux:** \$2 billion, 2,750-room "Swiss-lakefront-themed" hotel (*Ruffin Companies*, 2006)
- **Trump International Hotel & Tower:** \$500 million, 1,282-unit condominium hotel (*The Trump Organization*, 2006)

NOTE: Unless otherwise noted, the source for information is the city of Las Vegas Office of Business Development or multiple articles in local newspapers and business journals.



# City of Las Vegas Office of Business Development

400 Stewart Avenue Las Vegas, Nevada 89101 Phone: (702) 229-6551 Toll Free: (866) 777-7483

Fax: (702) 385-3128

E-mail: obd@lasvegasnevada.gov Web: www.lasvegasnevada.gov/obd

**Business Hours:** 

Monday to Friday, 8 a.m. to 5 p.m. (Pacific Time)